

<Translation>



November 5, 2015

## **Consolidated Financial Results for the Six Months Ended September 30, 2015 <under Japanese GAAP>**

Company Name: **Yushin Precision Equipment Co., Ltd.**  
Listing: First Section of the Tokyo Stock Exchange  
Securities code: 6482  
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Scheduled date to submit quarterly report: November 13, 2015  
Scheduled date to commence dividend payments: December 1, 2015  
Preparation of supplementary materials on financial results: Yes  
Holding of financial results briefing: Yes (for Analysts)

(Amounts less than one million yen are omitted, unless otherwise noted)

### **1. Consolidated Business Results for the Six Months Ended September 30, 2015**

**(from April 1, 2015 to September 30, 2015)**

#### **(1) Consolidated operating results (Cumulative)**

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2015	9,919	20.0	1,502	35.1	1,444	17.9	1,014	28.0
September 30, 2014	8,267	(1.3)	1,112	0.8	1,225	(3.6)	792	2.9

Note: Comprehensive income

Six months ended September 30, 2015: 896 million yen [(8.1) %]

Six months ended September 30, 2014: 975 million yen [(12.4) %]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
September 30, 2015	58.00	-
September 30, 2014	45.30	-

#### **(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2015	30,362	24,458	79.9
As of March 31, 2015	29,463	23,970	80.6

Reference: Equity capital (Net assets less minority interests)

As of September 30, 2015: 24,257 million yen

As of March 31, 2015: 23,737 million yen

**2. Cash Dividends**

	Annual dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2015	-	10.00	-	20.00	30.00
Year ending March 31, 2016	-	15.00			
Year ending March 31, 2016 (Forecast)			-	21.00	36.00

Note: Revisions to projected dividends most recently announced: None

**3. Consolidated Earnings Forecasts for the Year Ending March 31, 2016  
(from April 1, 2015 to March 31, 2016)**

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2016	20,000	12.4	3,000	30.2	3,000	18.0	2,100	24.7	120.08

Note: Revisions to projected results most recently announced: Yes

**\* Notes**

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries accompanying changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Adoption of the special accounting methods: Yes

Note: Please refer to "2. Other Information (Notes), (2) Adoption of special accounting methods for preparation of quarterly financial statements" on page 2 of [Attached Material] for further information.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (Common stock)

1) Number of issued shares at the end of the period (including shares of treasury stock)

As of September 30, 2015 17,819,033 shares

As of March 31, 2015 17,819,033 shares

2) Number of shares of treasury stock at the end of the period

As of September 30, 2015 331,073 shares

As of March 31, 2015 330,904 shares

3) Average number of outstanding shares during the period

Six months ended September 30, 2015 17,488,056 shares

Six months ended September 30, 2014 17,488,629 shares

\* Information regarding the implementation of quarterly review procedures

This quarterly financial information included in this summary is out of scope of quarterly review procedure under the Financial Instruments and Exchange Act. Quarterly review procedure under the Financial Instruments and Exchange Act has not been completed at the date of submission of this summary.

\* Cautionary statement with respect to forward-looking statements and other special remarks

The forecasts above are based on the information currently available. A number of factors could cause actual results to differ materially from expectations.

For more information about these assumptions and notes regarding the use of earnings forecasts, please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation on the forecast information including consolidated earnings forecast and others” on page 2 of [Attached Material].

\* Disclaimer

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation on the business results

During the six months ended September 30<sup>th</sup>, 2015, the US economy was on a recovery trend led by consumer spending, and the European economy was also on a gradual recovery. On the other hand in Asia, there was a slowdown in the growth of economy in many countries.

In these circumstances, the Group maintained favorable sales in take-out robot and custom-ordered equipment both domestically and internationally, by focusing on building new business with global companies. As the results, consolidated net sales increased by 20.0% year-on-year to 9,919 million yen. Operating income increased by 35.1% year-on-year to 1,502 million yen, ordinary income increased by 17.9% year-on-year to 1,444 million yen and net income attributable to shareholders of the parent company for the period increased by 28.0% year-on-year to 1,014 million yen.

### (2) Explanation on the financial condition

#### <Assets>

Total assets increased by 898 million yen from the end of the previous fiscal year to 30,362 million yen.

This was mainly due to increase of “Work in process” by 399 million yen and “Cash and deposits” by 252 million yen.

#### <Liabilities>

Total liabilities increased by 410 million yen from the end of the previous fiscal year to 5,903 million yen.

This was mainly due to increase of 219 million yen in “Income taxes payable”.

#### <Net assets>

Net assets increased by 488 million yen from the end of the previous fiscal year to 24,458 million yen.

### (3) Explanation on the forecast information including consolidated earnings forecast and others

After reviewing our business forecast based on the future industry trend, we have revised our full-year forecast for the fiscal year ending March 31, 2016, which was announced on May 11, 2015. For more detailed information, please refer “Revisions to the Forecast for the Earnings” announced on November 5, 2015.

## 2. Other Information (Notes)

### (1) Changes in significant consolidated subsidiaries

None

### (2) Adoption of special accounting methods for preparation of quarterly financial statements

The effective tax rate on income before income tax for the consolidated fiscal year after the application of tax effect accounting is reasonably estimated, and this estimated rate is applied to net income for the quarterly period under review.

Income taxes—deferred are included in income taxes in the consolidated statements of income.

### (3) Changes in accounting principles, accounting estimates and retrospective restatement

(Application of Accounting Standard for Business Combinations and other standards)

With regard to the “Revised Accounting Standards for Business Combination” (Accounting Standards Board of Japan(ASBJ) Accounting Standard – ASBJ Statement No. 21 dated September 13, 2013), the “Revised Accounting Standard for Consolidated Financial Statements” (Accounting Standards Board of Japan (ASBJ) Accounting Standard – ASBJ Statement No. 22 dated September 13, 2013), and the “Revised Accounting Standards for Business Divestitures” (Accounting Standards Board of Japan (ASBJ) Accounting Standard –ASBJ Statement No. 7 dated September 13, 2013) have been adopted from the first quarter of the current consolidated fiscal year under review. Accordingly, the way in which quarterly net income is denoted has been changed, and the term minority interest has been changed to non-controlling interests. In order to reflect such changes, the quarterly consolidated financial statements and the full consolidated year financial statements for the previous period (six months ended September 30, 2014) and previous consolidated fiscal year have been reclassified.

### 3. Consolidated Financial Statements

#### (1) Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2015		As of September 30, 2015		Change
	Amount	%	Amount	%	Amount
<ASSETS>					
Current assets					
Cash and deposits	9,134,653		9,386,782		252,128
Notes and accounts receivable - trade	5,848,881		5,936,145		87,263
Merchandise and finished goods	1,111,488		904,815		(206,673)
Work in process	1,010,085		1,409,830		399,744
Raw materials and supplies	2,237,352		2,334,874		97,521
Deferred tax assets	602,050		610,231		8,180
Other	455,397		651,208		195,811
Allowance for doubtful accounts	(25,952)		(17,966)		7,985
Total current assets	20,373,958	69.2	21,215,922	69.9	841,963
Non-current assets					
Property, plant and equipment					
Buildings and structures	1,725,817		1,929,410		203,593
Land	5,807,868		5,787,838		(20,030)
Other	561,155		358,047		(203,107)
Total property, plant and equipment	8,094,840	27.5	8,075,296	26.6	(19,544)
Intangible assets	161,853	0.5	246,381	0.8	84,527
Investments and other assets					
Investment securities	294,879		282,389		(12,490)
Net defined benefit asset	346,848		347,570		721
Other	191,834		195,132		3,298
Allowance for doubtful accounts	(443)		(341)		102
Total investments and other assets	833,120	2.8	824,751	2.7	(8,368)
Total non-current assets	9,089,814	30.8	9,146,429	30.1	56,614
Total assets	29,463,773	100.0	30,362,351	100.0	898,577

(Thousands of yen)

	As of March 31, 2015		As of September 30, 2015		Change
	Amount	%	Amount	%	Amount
<b>&lt;LIABILITIES&gt;</b>					
Current liabilities					
Notes and accounts payable - trade	2,363,099		2,379,909		16,810
Accounts payable - other	526,107		577,426		51,318
Income taxes payable	265,529		485,385		219,856
Advances received	1,282,839		1,442,406		159,566
Provision for bonuses	235,000		237,000		2,000
Provision for directors' bonuses	30,750		16,350		(14,400)
Provision for product warranties	179,131		172,907		(6,223)
Other	189,854		178,156		(11,698)
Total current liabilities	5,072,311	17.2	5,489,540	18.1	417,229
Non-current liabilities					
Provision for directors' retirement benefits	66,780		66,780		-
Net defined benefit liability	38,729		36,498		(2,231)
Deferred tax liabilities	237,922		235,937		(1,984)
Other	77,887		74,896		(2,991)
Total non-current liabilities	421,319	1.4	414,112	1.4	(7,206)
Total liabilities	5,493,630	18.6	5,903,653	19.4	410,022
<b>&lt;NET ASSETS&gt;</b>					
Shareholders' equity					
Capital stock	1,985,666		1,985,666		-
Capital surplus	2,023,903		2,023,903		-
Retained earnings	19,205,664		19,870,124		664,459
Treasury stock	(352,005)		(352,425)		(419)
Total shareholders' equity	22,863,228	77.6	23,527,268	77.5	664,039
Accumulated other comprehensive income					
Valuation difference on available-for-sale securities	107,003		98,862		(8,141)
Foreign currency translation adjustment	658,809		524,736		(134,072)
Remeasurements of defined benefit plans	108,707		106,483		(2,223)
Total accumulated other comprehensive income	874,520	3.0	730,082	2.4	(144,437)
Non-controlling interests	232,393	0.8	201,347	0.7	(31,046)
Total net assets	23,970,142	81.4	24,458,697	80.6	488,555
Total liabilities and net assets	29,463,773	100.0	30,362,351	100.0	898,577

**(2) Consolidated statements of income and consolidated statements of comprehensive income****Consolidated statements of income**

(Thousands of yen)

	Six months ended September 30, 2014		Six months ended September 30, 2015		Change
	Amount	%	Amount	%	Amount
Net sales	8,267,321	100.0	9,919,506	100.0	1,652,185
Cost of sales	4,869,109	58.9	5,752,731	58.0	883,622
Gross profit	3,398,211	41.1	4,166,774	42.0	768,563
Selling, general and administrative expenses	2,285,795	27.6	2,664,166	26.9	378,370
Operating income	1,112,415	13.5	1,502,607	15.1	390,192
Non-operating income					
Interest income	12,618		8,906		(3,711)
Dividends income	2,459		2,386		(72)
Purchase discounts	5,747		7,465		1,718
Foreign exchange gains	75,250		-		(75,250)
Subsidy income	-		12,208		12,208
Other	18,452		16,408		(2,044)
Total non-operating income	114,527	1.4	47,375	0.5	(67,151)
Non-operating expenses					
Sales discounts	633		413		(220)
Foreign exchange losses	-		105,107		105,107
Other	1,189		215		(973)
Total non-operating expenses	1,822	0.0	105,735	1.1	103,912
Ordinary income	1,225,119	14.8	1,444,247	14.6	219,127
Extraordinary income					
Gain on sales of non-current assets	966		-		(966)
Gain on sales of investment securities	-		1,104		1,104
Total extraordinary income	966	0.0	1,104	0.0	138
Extraordinary loss					
Loss on sales and retirement of non-current assets	194		834		640
Total extraordinary losses	194	0.0	834	0.0	640
Income before income taxes	1,225,891	14.8	1,444,517	14.6	218,625
Income taxes	395,124	4.8	381,636	3.8	(13,488)
Net income	830,767	10.1	1,062,880	10.7	232,113
Net income attributable to non-controlling interests	38,542	0.5	48,658	0.5	10,116
Net income attributable to shareholders of the parent company	792,224	9.6	1,014,222	10.2	221,997



**Consolidated statements of comprehensive income**

(Thousands of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015	Change
Net income	830,767	1,062,880	232,113
Other comprehensive income			
Valuation difference on available-for-sale securities	14,848	(8,141)	(22,990)
Foreign currency translation adjustments	129,010	(155,708)	(284,718)
Remeasurements of defined benefit plans, net of tax	846	(2,223)	(3,070)
Total other comprehensive income	144,705	(166,073)	(310,779)
Comprehensive income	975,473	896,806	(78,666)
Comprehensive income attributable to shareholders of the parent company	927,433	869,784	(57,649)
Comprehensive income attributable to non-controlling interests	48,039	27,022	(21,016)

**(3) Notes related to consolidated financial statements****< Notes related to going concern assumption >**

None

**< Notes in the event of significant changes in shareholders' equity >**

None

**< Segment information >**

First Six Months of FY2015 (from April 1, 2014 to September 30, 2014)

Information related to sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Total	Adjustment *1	Amounts shown on quarterly consolidated statements of income *2
	Japan	U.S.A.	Asia	Europe			
Net sales							
Sales to customers	4,205,506	1,270,591	2,498,444	292,778	8,267,321	-	8,267,321
Inter-segment sales	2,029,983	5,282	129,364	180	2,164,811	(2,164,811)	-
Total	6,235,489	1,275,874	2,627,809	292,959	10,432,132	(2,164,811)	8,267,321
Segment profit	522,572	190,554	424,362	24,941	1,162,430	(50,014)	1,112,415

\*Notes 1: The (50,014) thousand yen adjustment to segment profit is inventory adjustments.

\*Notes 2: Segment profit is adjusted to be consistent with operating income shown on the consolidated statements of income.

First Six Months of FY2016 (from April 1, 2015 to September 30, 2015)

Information related to sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Total	Adjustment *1	Amounts shown on quarterly consolidated statements of income *2
	Japan	U.S.A.	Asia	Europe			
Net sales							
Sales to customers	5,094,860	1,555,258	2,931,179	338,207	9,919,506	-	9,919,506
Inter-segment sales	2,163,553	6,326	168,208	410	2,338,498	(2,338,498)	-
Total	7,258,414	1,561,584	3,099,388	338,617	12,258,004	(2,338,498)	9,919,506
Segment profit	720,240	132,240	631,458	36,885	1,520,824	(18,216)	1,502,607

\*Notes 1: The (18,216) thousand yen adjustment to segment profit includes 21,101 thousand yen eliminations for inter-segment transaction and (39,318) thousand yen inventory adjustments.

\*Notes 2: Segment profit is adjusted to be consistent with operating income shown on the consolidated statements of income.

**4. Supplemental Information****(1) Orders, backlog and sales**

## a. Orders

## 1) Order received

(Thousands of yen)

Products	First Six Months of FY2015	First Six Months of FY2016	Change (%)
Take-out robots	6,844,084	7,053,196	103.1
Custom-ordered equipment	619,059	1,601,599	258.7
Parts and maintenance service	1,465,298	1,618,604	110.5
Total	8,928,441	10,273,401	115.1

## 2) Backlog of orders

(Thousands of yen)

Products	As of September 30, 2014	As of September 30, 2015	Change (%)
Take-out robots	2,177,189	2,347,151	107.8
Custom-ordered equipment	512,424	2,657,497	518.6
Parts and maintenance service	170,512	215,852	126.6
Total	2,860,126	5,220,500	182.5

## b. Net sales

(Thousands of yen)

Products	First Six Months of FY2015	First Six Months of FY2016	Change (%)
Take-out robots	6,151,601	7,211,062	117.2
Custom-ordered equipment	705,283	1,106,925	156.9
Parts and maintenance service	1,410,435	1,601,518	113.5
Total	8,267,321	9,919,506	120.0

**(2) Overseas Sales**

First Six Months of FY2015 (from April 1, 2014 to September 30, 2014)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	1,187,449	3,906,187	417,864	210,356	5,721,856
II Consolidated net sales					8,267,321
III Ratio of overseas sales to consolidated net sales (%)	14.4	47.2	5.1	2.5	69.2

First Six Months of FY2016 (from April 1, 2015 to September 30, 2015)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	1,524,413	4,868,692	506,095	203,206	7,102,409
II Consolidated net sales					9,919,506
III Ratio of overseas sales to consolidated net sales (%)	15.4	49.1	5.1	2.0	71.6